

Washington, DC - Even as Republicans propose cutting services to seniors, children and the neediest American families in their new spending bill, they are leaving \$53 billion in deficit-reducing funds on the table by protecting oil companies from paying their fair share to drill in the Gulf of Mexico. Congressman Maurice Hinchey (D-NY) joined Congressmen Ed Markey (D-MA) and George Miller (D-CA) in offering an amendment to the Republican spending bill that would close a loophole that has enabled Big Oil to avoid paying royalties for taxpayer-owned oil resources they have drilled for in the Gulf. The measure was rejected last week due in large part to opposition from the Republican majority.

"These hugely profitable companies are tapping oil and gas reserves that belong to the American People, selling it back to us, and then reaping a massive profit on the backs of middle-class families," said Hinchey. "But the real kicker is that these oil companies are not paying one red cent to the public for the oil and gas they have extracted from publicly owned resources. They get it for free - and we pick up the \$53 billion tab. American taxpayers are getting ripped off. It's too bad the Republican majority has once again decided to protect big oil at the expense of taxpayers."

The Deepwater Royalty Relief Act of 1995, which Hinchey opposed, gave the Interior Department the ability to exempt the energy industry from paying royalties under the pretense that such a policy was needed to spur deepwater exploration when prices of oil and gas were low. That measure allowed the Interior Department to decide whether or not to put price thresholds into the leases that would trigger royalty payments to the federal government once oil and gas prices climbed to a certain level. However, due to a clerical error, the Interior Department left out price thresholds on contracts signed in 1998 and 1999, allowing oil and gas companies to extract resources from public property without paying royalties, regardless of the price of oil or gas. Republicans extended the Deepwater Royalty Relief Act as part of the energy bill they passed in 2005.